

# Türk Hava Yolları A.O. Remuneration Policy

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## **Purpose and Scope**

Türk Hava Yolları A.O. remuneration policy defines the remuneration principles regarding the Board Members and Senior Managers of Türk Hava Yolları A.O. pursuant to II-17.1 Communiqué on Corporate Governance regulations.

As long as a Remuneration Committee is not formed, the Corporate Governance Committee shall carry out the duties of the Remuneration Committee.

## **Board Members**

A fixed remuneration is determined for the Board Members at the Ordinary General Assembly every year.

In addition to the fixed remuneration that is determined by the General Assembly, according to the principles of remuneration policy stated below and in consultation with the Corporate Governance Committee, additional payment or benefits can be granted by the Board of Directors to the Executive Committee members for their contribution to the Incorporation, time spent, responsibilities in the decision making, specific duties assigned and attendance to the meetings.

In addition to the fixed remuneration that is determined by the General Assembly, in consultation with the Corporate Governance Committee, the Board of Directors may grant additional payments or benefits per attendance to meetings, to the members of other Board committees or Board members that are assigned to pursue specific functions in order to contribute to the activities of the Incorporation.

For the remuneration of Independent Board Members, payment plans based on stock options, dividends or the company performance may not be used. The wages for Independent Board Members shall be at a level reasonable for them to sustain their independence.

Pro rata payment is made to the Board Members by taking into account the time they carried out their duty between the date of appointment and the date of resignation. Expenses incurred by the Board Members on account of making contributions to the Incorporation (e.g. transportation, telephone, insurance) may be covered by the Incorporation.

## **Senior Managers**

The monthly fixed remuneration of the senior managers is determined according to the expertise needed for fulfilling the duty, skills, perfection, the required level of experience, the scope of responsibility, long term company targets, the level of remuneration for similar positions in the market and the human resources policies of the Incorporation. In addition to the monthly fixed remuneration, a bonus (additional monthly remuneration) is paid four times a year. In order to support remuneration management with additional advantages, side benefits are also taken into account as a part of the remuneration policy. Within the framework of the internal regulations of the Incorporation, side benefits such as company car, corporate mobile phone and private health insurance may be provided by the Incorporation to the Senior Managers. The Board of Directors may decide to adopt a performance-based remuneration system or to grant performance-based remuneration taking into account the determined bonus base, the company performance and individual performance.

The Incorporation shall not loan money, make credit available, enlarge the term of the loan money or credit, improve conditions, make credit available via a third party as a personal credit or grant securities such as surety to any of its Board Members or Senior Managers.

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The remuneration paid and benefits granted to the Board Members and the Senior Managers during the year are disclosed to public by the annual report and submitted for shareholder information at the Ordinary General Assembly.